Volum I:

Pembinaan Tamadun Melalui Industri Patuh Syariah

Ekonomi, Kewangan dan Pengurusan Patuh Syariah

EDITOR

Dr. Mohamad Fitri Mohamad Yusoff
Siti Syarwani Ghazali
Suria Rismawati Sanwari
Badriah Nordin

Pembinaan Tamadun Melalui Industri Patuh Syariah

Volum I:
Ekonomi, Kewangan dan
Pengurusan Patuh Syariah

Editor
Mohamad Fitri Mohamad Yusoff
Siti Syarwani Ghazali
Suria Rismawati Sanwari
Badriah Nordin

Sidang Editorial

Senarai Kandungan

Kata Aluan Pengerusi Lembaga Pengarah vi

Epistemologi Ilmu Merentasi Sempadan vii

Memacu Ekosistem Patuh Syariah Sebagai Cara Hidup ix

Bicara Penghargaan Para Penyunting x

BAB 1: Kemakmuran Bersama

i Philantropic Contributions Of Islamic Banks In Malaysia: Are They Doing Enough 2
- *Rusni Hassan*

ii Islamic Social Finance 15
- *Mohd Nazri Chik*

iii Manifestasi Ihsan Dalam Muamalat Kontemporari 18
- *Mohamad Fitri Mohamad Yusoff*

iv Hubungan Di Antara Zakat Perniagaan Dan Prestasi Kewangan Syarikat Pembayar 31
- *Yusnifarina Binti Yunus & Farah Wahida Abd Rahman*

v Tinjauan Mengenai Pembayaran Zakat Perniagaan Oleh Syarikat Tersenarai Awam Di Bursa Malaysia 46
- *Fatin Nuraisyah Tan, Siti Balqis Ali Napiah & Yusnifarina Yunus*

vi Tax Planning - Relationship Between Zakat and Corporate Governance Mechanisms of Sharia' Compliant Companies 59
- *Auwal Adam Saad & Noor Azham bin Abdullah*

vii Explorative Study On The Role Of Zakat In Achieving Equitable Wealth Distribution Tool In Islamic Economics 64
- *Ashurov Sharofiddin, Osman Abdirisak Said & Anwar Hasan Abdullah Othman*

viii المفهوم الشرعي للزكاة والضريبة: دراسة تحليلية مقارنة بالتطبيقات المعاصرة 75
- *Auwal Adam Saad*

ix Keterdedahan Risiko Portfolio Pembangunan Aset Wakaf: Analisis Berdasarkan Teori Pengurusan Risiko 99
- *Wan Mohd Al Faizee Wan Ab Rahaman, Salmy Edawati Yaacob & Mohamad Sabri Haron*

x Shariah Board and the Performance of Islamic Banks 122
- *Razali Haron & Nur Ermiedza Radzali*

xi Islamic Bank Is Haram: New Challenges for The Development of Islamic Banking Lesson From Indonesi Sharia X Bank Community 145
- *Kusnan*

xii An Exploratory Study On The Opportunities and Challenges Towards the Establishment of Islamic Banking in Mali 164
- *Moussa Traore & Nur Harena Redzuan*

xiii Al-Khiyar Approach In Online Shopping: An Analysis 196
- *Rohana Ahmad & Wan Mohd Dhaiyudeen Helmy W.M.*

xiv Kewajaran Pelaksanaan Sistem Kawalan Halal Dalaman Bagi Industri Kecil Dan Makro 209
- *Amirah Mohamad Azmi & Nor Azatul Asya Nura binti Mohd Zakaria*

xv A Consolidation Of Halal Services And Islamic Financial Services In Malaysia: Current Challenges In The Implementation 220
- *Nor Razinah Mohd. Zain*

xvi Kaedah Kawalan Bahan Mentah Di Industri Makanan Halal Dalam Menjamin Integriti Berterusan Status Halal Produk Makanan Di Sepanjang Rantaian Bekalan 238
- *Amirah Mohamad Azmi, Siti Nur Azzyati binti Saharuddin & Amira Hakimah binti Halimi*

xvii Umrah Fraud: Phenomenon And Governing Framework In Regulating Umrah Industry 248
- *Kausar Ismat 'Anunu, Nafidah Binti Mohd Hasan, Mohamad Fitri Bin Mohamad Yusoff & Mohd Faizal Bin Ab Hamid*

xviii Toyyiban Practices In Muslim Friendly Tourism Ecosystem 258
- *Siti Syahirah Saffinee, Mohammad Aizat Jamaludin & Muhammad Irhammudin Ibrahim*

BAB 2 : Mengurus Kekayaan

i - The Position, Powers And Duties Of Wasi In Muslim's Estates Planning 273
- *Siti Asishah Hassan, Rusnadewi Abdul Rashid & Noor Inayah Yaakub*

ii Bitcoin: Sejauh Mana Kepenggunaannya Menurut Perspektif Islam 284
- *Wan Kamal Mujani, Azyati Azhani Mohamad Mazuki, Wan Mohd Hirwani Wan Hussain, Muhammad Nazir Alias, Ahmad Dahlan, Mohd Nasran Mohamad & Mohd Azlan Shah Zaidi*

iii النقود الرقمية دراسة في المصطلح والمفهوم والبنية والعلاقات 299
- *Abdulmajid Obaid Hasan Saleh & Abdulrahim Sghayer Bahammi*

iv تطوير معايير تقييم الأداء التنموي للمشروعات الاستثمارية الاسلامية 311
- *Osamah Hashem & Azman bin Mohd Noor*

v Beyond Shari'ah Compliance: Achieving Maqasid Al-Shari'ah Through Social Impact Bonds (SIB) and Sustainable & Responsible Investment (SRI) Sukuk 350
- *Syed Marwan, Aslam Haneef, Engku Rabiah Adawiah & Suhaiza Ismail*

KATA ALUAN PENGERUSI LEMBAGA PENGARAH

Bersyukur kepada Allah SWT kerana dengan limpah kurnia-Nya, kita masih lagi dikurniakan dengan pelbagai nikmat. Di antara nikmat yang besar sebagai umat Islam ialah sifat cintakan ilmu selari dengan perasaan mengasihi Rasulullah SAW. Antara tanda kasihnya kita kepada Rasulullah SAW ialah usaha pengkajian serta pengajian ilmu yang terbina berlandaskan al-Quran dan al-Sunnah.

Penerbitan sebuah buku melambangkan kesungguhan serta penelitian yang mendalam oleh para pengkaji ke atas lautan ilmu yang luas. Usaha ini perlu diperluaskan dan disampaikan dari satu generasi ke generasi baharu agar budaya *thurathi* yang digandingkan dengan kotemporari dapat dikekalkan hingga akhir zaman.

Buku ini mempunyai beberapa keistimewaan termasuklah ia mengandungi pelbagai kajian ilmu rentas disiplin seperti kewangan Islam, pengurusan patuh syariah, isu semasa pandemik Covid-19 dan pelbagai bidang lain yang berkaitan. Selain itu, buku ini disusun mengikut tema kajian agar mudah dilihat secara holistik dalam pembentukan industri patuh Syariah.

Buku ini adalah amat signifikan dan saya berdoa semoga usaha seperti ini mendapat mardhatillah dan memberi manfaat kepada umat Islam dalam membina sebuah tamadun yang gemilang.

Mudah-mudahan usaha ini dapat dikembangkan lagi serta dikongsi bersama oleh para ulama serta cendiakawan Islam untuk bersama-sama menggarap ilmu seterusnya disebarkan kepada ummah.

Salam hormat,
Dato' Haji Razali Bin Haji Shahabudin
Pengerusi Ahli Lembaga
Kolej Profesional Baitulmal Kuala Lumpur

vi Risk And Return - An Analysis Of Shariah Compliant Stocks On Bursa Malaysia Using Capital Asset Pricing Model (CAMP) 363
- *Azlindawati Hassan, Nor Afizah Misnan, Benzura Baharom & Fatin Natasya Zizi*

vii Concept of Corporation under the Common Law and Shariah 374
- *Zuhairah Ariff Ghadas, Hartinie Abd Aziz & Nazri Ramli*

viii Integrating Syariah Law and Civil Law of Waqf Land Registration In Malaysia 390
- *Noor Azimah Ghazalli & Ibrahim Sipan*

ix Islamic Jurisprudence Law And Its Fundamental as a Tool Of Tackling The Nowadays Challenges Of Islamic Financial Institutions 407
- *Auwal Salisu & Shahir Akram Hasan*

x Kemelut Faraid: Punca Dan Kesan Kepada Pengurusan Kewangan Islam 415
- *Khadijah Mohd & Mohammad Aisamuddin Akob*

xi Kaedah Pengurusan Harta Untuk Belia Islam Di Malaysia 425
- *Siti Sarah Omar*

EPISTEMOLOGI ILMU MERENTASI SEMPADAN

Saya melafazkan syukur ke hadrat Allah SWT atas limpahan nikmat keamanan dan kesejahteraan yang berterusan kepada kita semua. Selawat dan salam ke atas junjungan Nabi Muhammad SAW, keluarga, sahabat dan yang mengikut jejak langkahnya hingga hari kesudahan.

Sesungguhnya, sumbangan idea dan penulisan yang telah disumbangkan oleh para cendekiawan kita merupakan nadi kejayaan umat Islam dan penyambung kegemilangan ketamadunan Islam khususnya di nusantara kita. Atas asas inilah, maka Kolej Profesional Baitulmal Kuala Lumpur (KPBKL) berusaha menerbitkan tiga (3) jilid ini yang diberi nama judul buku Pembinaan Tamadun Melalui Industri Patuh Syariah.

Saya mengharapkan kandungan buku ini dapat memenuhi keperluan masyarakat Islam di Malaysia dan nusantara khususnya kepada golongan pelajar dan ilmuan yang ingin mendalami ilmu dalam bidang pematuhan syariah di industri. Dalam masa yang sama, diharapkan penuntut pengajian tinggi, pensyarah, pengkaji, para ulama dan pencinta ilmu berkesempatan memanfaatkan buah fikiran yang disumbangkan oleh cendekiawan kita melalui penerbitan buku ini.

Semoga hasil usaha yang mulia ini bukanlah menjadi penutup segala amal jariah, sebaliknya sebagai mukadimah untuk meneruskan lagi usaha dalam memartabat dan meninggikan lagi syiar Islam di negara ini sekaligus menjadi perangsang kepada lahirnya lebih ramai cendekiawan Islam.

Prof. Emeritus Tan Sri Dr. Mohd Kamal Bin Hassan
Pengerusi Lembaga Pengelola
Kolej Profesional Baitulmal Kuala Lumpur

MEMACU EKOSISTEM PATUH SYARIAH SEBAGAI CARA HIDUP

Alhamdulillah, segala pujian hanya bagi Allah S.W.T, selawat dan salam ke atas junjungan besar Nabi Muhammad S.A.W., Kolej Profesional Baitulmal Kuala Lumpur (KPBKL) MAIWP berjaya menerbitkan buku ini.

Tahniah dan syabas saya ucapkan kepada KPBKL MAIWP. Buku ini menumpukan penerobosan pelbagai bidang tujahan ilmu yang holistik terhadap pematuhan syariah dalam bidang Muamalat, Industri halal, Kewangan dan Pengurusan Islam.

Perbincangan ilmiah menerusi artikel-artikel yang diterbitkan ini menyokong pada dasarnya pelaksanaan sebuah industri patuh syariah sebagai satu cara hidup merentasi korporat dan masyarakat.

Buku ini menampilkan sejumlah 72 artikel-artikel berkaitan yang telah dibentangkan dalam *1st International Research Conference On Shariah Compliant Industries* (IRCSI) bertemakan "*Shariah Compliant Industries: Global Economic Developme*nt" yang telah diadakan secara dalam talian pada 9 Februari 2021 hingga 11 Februari 2021. Buku ini telah melalui proses perwasitan dari pakar.

Saya berharap penerbitan buku ini dapat menjadi rujukan berimpak kepada kajian yang akan datang dalam usaha memperkasakan pematuhan syariah mengikut syarak di samping menjadikan Malaysia sebagai pusat kecemerlangan dalam pematuhan syariah. Semoga usaha bersama kita dalam menegakkan syiar Islam diberkati Allah swt. Sekali lagi saya ucapkan tahniah dan syabas kepada semua pihak yang terlibat dalam penghasilan buku ini.

Wassalam.

YBhg. Prof. Dato' Dr. Noor Inayah Ya'akub
Penasihat Kehormat Penerbitan
(Mantan Rektor, KPBKL 2019-2021)

BICARA PENGHARGAAN PARA PENYUNTING

Segala puji bagi Allah S.W.T serta selawat dan salam ke atas junjungan besar Nabi Muhammad S.A.W.

Atas kesedaran dalam mewujudkan jaringan akademik dan industri bagi menghasilkan penyelidikan berimpak tinggi untuk pembangunan ummah maka tercetusnya ilham penghasilan buku sulung terbitan KPBKL bertajuk "Pembinaan Tamadun Melalui Industri Patuh Syariah".

Buku ini diterjemahkan daripada koleksi 72 kertas kerja yang telah dibentangkan menerusi *1st International Research Conference On Shariah Compliant Industries* dengan mengangkat tema "*Shariah Compliant Industries: Global Economic Development*" (SCIGED2021) - mencipta sejarah kali pertama penganjurannya secara atas talian dalam keadaan Perintah Kawalan Pergerakan (PKP).

Penyumbang utama artikel yang disusun mengikut bab dalam buku ini terdiri daripada Prof. Emeritus Tan Sri Dr. Mohd Kamal Bin Hassan dan tujuh (7) pengucaptama di kalangan rakan penganjur SCIGED2021 iaitu Fakulti Pengajian Islam (FPI) Universiti Kebangsaan Malaysia (UKM), Pusat Kajian Pengurusan Pembangunan Islam (ISDEV) Universiti Sains Malaysia (USM), Kolej Islam Teknologi Antarabangsa (KITAB) Pulau Pinang, Fakulti Syariah dan Undang-Undang (FSU) Universiti Islam Sultan Sharif Ali (Unissa) Brunei Darussalam dan Institut Perbankan Islam dan Kewangan (IiBF) Universiti Islam Antarabangsa Malaysia (UIAM).

Barisan editor dengan penuh takzim mengalu-alukan penglibatan semua penulis atas sumbangan hasil kajian. Penyertaan ini amat besar maknanya buat kami disamping membina jaringan penyelidikan merentasi disiplin ilmu. Sekaligus menyebar luas hasil dapatan kepada masyarakat dalam dan luar negara. Justeru telah menyumbang 20% kepada Tabung Wakaf Intelek KPBKL yang merupakan sebuah kolej untuk anak-anak asnaf.

Di kesempatan ini ucapan jutaan terima kasih dirakamkan kepada Pengurusan Tertinggi KPBKL, Jawatankuasa SCIGED2021 dan para akademia serta seluruh warga KPBKL atas kepercayaan dan amanah, perkongsian idea, ilmu, kesungguhan serta komitmen yang dicurahkan demi menjulang nama KPBKL di persada dunia.

Sekian.

Nazhatul Ain Hisamudin
Ketua Editor
Pembinaan Tamadun Melalui Industri Patuh Syariah

BICARA PENGHARGAAN PARA PENYUNTING

Segala puji bagi Allah S.W.T serta selawat dan salam ke atas junjungan besar Nabi Muhammad S.A.W.

Atas kesedaran dalam mewujudkan jaringan akademik dan industri bagi menghasilkan penyelidikan berimpak tinggi untuk pembangunan ummah maka tercetusnya ilham penghasilan buku sulung terbitan KPBKL bertajuk "Pembinaan Tamadun Melalui Industri Patuh Syariah".

Buku ini diterjemahkan daripada koleksi 72 kertas kerja yang telah dibentangkan menerusi *1st International Research Conference On Shariah Compliant Industries* dengan mengangkat tema "*Shariah Compliant Industries: Global Economic Developmen*t" (SCIGED2021) - mencipta sejarah kali pertama penganjurannya secara atas talian dalam keadaan Perintah Kawalan Pergerakan (PKP).

Penyumbang utama artikel yang disusun mengikut bab dalam buku ini terdiri daripada Prof. Emeritus Tan Sri Dr. Mohd Kamal Bin Hassan dan tujuh (7) pengucaptama di kalangan rakan penganjur SCIGED2021 iaitu Fakulti Pengajian Islam (FPI) Universiti Kebangsaan Malaysia (UKM), Pusat Kajian Pengurusan Pembangunan Islam (ISDEV) Universiti Sains Malaysia (USM), Kolej Islam Teknologi Antarabangsa (KITAB) Pulau Pinang, Fakulti Syariah dan Undang-Undang (FSU) Universiti Islam Sultan Sharif Ali (Unissa) Brunei Darussalam dan Institut Perbankan Islam dan Kewangan (IiBF) Universiti Islam Antarabangsa Malaysia (UIAM).

Barisan editor dengan penuh takzim mengalu-alukan penglibatan semua penulis atas sumbangan hasil kajian. Penyertaan ini amat besar maknanya buat kami disamping membina jaringan penyelidikan merentasi disiplin ilmu. Sekaligus menyebar luas hasil dapatan kepada masyarakat dalam dan luar negara. Justeru telah menyumbang 20% kepada Tabung Wakaf Intelek KPBKL yang merupakan sebuah kolej untuk anak-anak asnaf.

Di kesempatan ini ucapan jutaan terima kasih dirakamkan kepada Pengurusan Tertinggi KPBKL, Jawatankuasa SCIGED2021 dan para akademia serta seluruh warga KPBKL atas kepercayaan dan amanah, perkongsian idea, ilmu, kesungguhan serta komitmen yang dicurahkan demi menjulang nama KPBKL di persada dunia.

Sekian.

Nazhatul Ain Hisamudin
Ketua Editor
Pembinaan Tamadun Melalui Industri Patuh Syariah

An Exploratory Study On The Opportunities And Challenges Towards The Establishment Of Islamic Banking In Mali

By:

Moussa Traore*
Nur Harena Redzuan**

Introduction

From a historical point of view, Islamic banking and its essence dates back to the early days of Islam and the rise of the Islamic empire. The boost of internal and external trades across national borders led to nurturing Islamic banking activities and the creation of Islamic financial instruments. From thenceforth, merchants from European countries learned trading skills and financial tools from Muslim traders. Later, with imperialism and falling of the Islamic empire, Europeans adopted these financial tools and used them until they were placed by Western financials models in the early 20th century (Alharbi, 2015). However, in the middle of the 20th century, Islamic banking practices resurged, and many efforts were made by Islamic revivalists to revise Islamic teaching in all aspects of life, including Islamic banking and commercial activities. Since then, Islamic banks experiences continue to grow across the global (Alharbi, 2015)

Today, the total value of the Islamic industry's assets reaches USD 2.88 trillion in 2019, and this figure expects to grow to USD 3.69 trillion in 2024. The Islamic banking sector contributes USD 1.99 billion, representing 69% of the total global Islamic financial assets (Finance & Report, 2020). Despite this optimistic figure, Islamic banking is not without challenges. The challenges facing Islamic banking are diverse and multidimensional. These challenges include; lack of an enabling environment, dual legal systems within particular jurisdiction, confusion in the adjudication of matters relating to Islamic financial institutions, Riba problems, controversy among scholars and advisory board (Oloso, 2018). Africa countries, particularly Mali, are not exceptional from those issues.

In this regard, this research aims to identify the issues and challenges faced by the Islamic banks and identify prospect for Islamic banks' practice in Mali. The study also aims to analyze the factors that contribute to inactive Islamic bank in Mali and provide recommendations towards the issues and challenges for the Islamic banks in Mali.

* IIUM Institute of Islamic Banking and Finance, International Islamic University Malaysia
** IIUM Institute of Islamic Banking and Finance International Islamic University Malaysia. Email: nurharena@iium.edu.my

Financial Institutions In Mali

Like many countries, financial system in Mali is structured into two major components, financial institutions and financial market. Financial institutions consist banking system and non- banking institutions. Financial market comprises money and foreign exchange market, capital market and offshore market. This section focuses more on financial institutions.

Structure And Characteristics Of Financial Institutions

The Republic of Mali is a landlocked country located in West Africa. It is the eighth-largest country in Africa with a landmass of just 1,2400,192 Square kilometers, of which 1.61% (20,002.00 Square kilometers), is water, and 1.220.190.00 Square kilometers island (INSTAT, 2018). This makes it the 23rd largest country in the world. Despite the insecurity which affects the political and financial instability, the economy has remained withstand. In 2019, The real GDP accounts 5% growth compared to 4.7% growth in 2018 (*Rapport Annuel*, 2019). This slide growth is mainly driven by good gold and cotton production. The economy depends mainly on gold and cotton with 86% of exports. The tax revenue accounted 14.3% of GPD below the ECOWAS standard of 20%, a budget deficit of 3.1% of GDP and 0.4 % of inflation in 2018 (AfDB, 2020).

Although many statements on the events that occurred in the colonization era are debatable, the financial and economic discussion of colonialization is well- established. Mali, like many West African countries, the financial and monetary system may be traced back to pre- Colonial area. One of the main characteristics of French colonialism in Africa is forming the federation in West Africa and Central Africa (Equatorial Africa) in 1895. The federal territories of both two zones were ruled by a governor-general, who report, take orders from the Minister of Colonies and the government in Paris.

The main objectives of creating the federation are to guarantee the security of French investments, assuring civilian control, assuring redistribution of wealth among the territorialize to ease the burden of the cost administration on French taxpayers, emphasizing concentration of French authority in Africa, and monopolizing trade in the zone, which was achieved by incorporating the colonies into common currency Franc (Skurnik, 1967).

By 1898, Mali becomes virtually under the rule of France, then called French Sudan, and became part of the Federation of French West Africa, which was incorporating Dahomey (now Benin), French Guinea (now Guinea, Côte d'Ivoire, Mauritania, Niger, Senegal, and Upper Volta (now Burkina Faso) in French overseas territories. On the other hand, the French Equatorial Africa federation consisted, Gabon, Congo, Chad, and Ubangi Shari (now the central Africa republic).

Regarding the banks in this period, a private bank, Banque du Senegal, was established by a group of French merchants in 1851 to facilitate the export of groundnuts from Senegal. The bank carried on financing foreign trade and note of issue for nearly half a century. In the early 19th century, an expansion of the French rule from Senegal river in West Africa to Congo river in Equatorial Africa necessitates a new larger bank opening to meet the needs of a growing empire in terms of currency issuance. As a result, in 1901, a new larger private bank, Banque of Afrique Occidental (BAO), which convention was converted later to a semi-public bank, was created. The BAO acquired the assets and liabilities of Banque du Senegal and obtained the note issue in the federal territories of West Africa (Singh, 2008).

World War II changed the pollical, economic structure of financial institutions. During World War two, French Equatorial Africa became a staunch supporter of the Free French, and French Western Africa also declared allegiances of the Vichy regime (Singh, 2008). For this new trend, in 1941, the government of free France set up a pure public financial institute, Caisse Centrale del la France Libre, responsible for issuing notes metal currency in French Equatorial Africa and Cameroon, and other territories. In a post-war period, it name was changed to become the Caisse Centrale de la France Outremer. The government entrusted it with development missions and the issuance of notes in its jurisdictions. The creation of this public sector in French Equatorial Africa jurisdictions had an impact on the other French colonies. Consequently, The French West Africa colonies sought to have the same pure public sector responsible for issuing a note to replace an existing private French bank (Private Banque of Afrique Occidental (BAO). After a lengthy discussion, in October 1953, the Free French government agreed to establish two (2) banks of issue, one bank for French West Africa, L'Institut d'Emission de l'Afrique Occidentale Francaise et du Togo, and another for French Equatorial Africa and Cameroon, Institut d'émission de l'Afrique équatoriale et du Cameroon. Each bank was entrusted with monetary and financial missions in it is respect zone.

Before independent of the two zone (French West Africa colonies and French West Africa), in 1959, the Institut d'émission de l'Afrique équatoriale et du Cameroon, emerged to Banque des États de l'Afrique Centrale, BEAC which become today a central bank of central Africa, Similarly,) in the same, l'Institut d'Emission de l'Afrique Occidentale Frangaise et du Togo was changed to la Banque Centrale des Etats de l'Afrique de l'Ouest (BECAO, and BECAO is today central of West Africa (Singh, 2008). In the French constitutional referendum of 1958, French Equatorial Africa voted to join the French Community as the autonomous republics, and then the federation was dissolved. In 1959, this new republic arranged a loose association called the Union of Central Africa Republics, and they become independent republics within the French Community in early 1960. Similarly, federal states in French West Africa vote to become autonomous republics in the French Community, except for Guinea, which became independent. Then federation was dissolved in 1959. In the same year, Senegal and the French Sudan (Mali) formed Mali Sudanese or Mali federation. However, due to pollical differences, the federation dismissed in 1960. Then Sudanese Republic, renamed the Republic of Mali, which became fully independent on 22

September 1960 while Senegal gained independence on 20 June in the same year (Gardinier & Gardinier, 1993).

In early 1962, most of the African countries under France's colony become independent states. Membership of the central bank, economic and financial conditions changed enormously from 1962 to 1974. However, the status of central banks in The West and Central Africa remained virtually unchanged (Bhatia, 1985). It is worth to mention that the currency of independent French colonies in each region was CFA Franc (Colonies Francaise Africaine Franc), convertible to French Franc, created in 1954. The name of the current change over time. In the transitional period, the CFA stood for Communaute Francaise Africain (French African community). In the post-independence period, CFA stood for Communaute Financiere Africaine for the BCEAO region, while in the BEAC region, CFA stood for 'franc de la Cooperation en Afrique Centrale (Singh, 2008).

In 1961, seven West African states formed Monetary Union, L'Union monétaire ouest-africaine (UMOA), which includes *(Dahomey- now Benin) Benin,* Upper Volta *-now Burkina Faso), cote d'Ivoire, Guinea Bissau, Niger Senegal, Togo, Mali, and Mauritania.* However, Mali withdrew from the Union and adopted its own Central Bank of Mali and non-convertible or blocked notional currency. However, following economic and financial limitations forced negotiations with France and signed a monetary agreement in December 1967. Then, the Malien franc became convertible into French Franc with effect from March 29, 1969. Consequently, Mali devalued its currency following the devaluation of the French franc, returned and joined the other CFA states in 1984 (Singh, 2008).

The arrangement of CFA Franc in two zones is and still are, characterized by (a) an open-ended guarantee by France of the convertibility of CFA Francs into French Francs now the euro- as a counterpart to the pooling of at least 50% of the foreign exchange reserves of each zone into operation accounts controlled by the French Treasury; (b) the free transferability of funds, within existing exchange regulations, between the zones and France; (c) a fixed exchange rate of CFA francs to the French franc, then to the euro once it replaced the franc on January 1, 1999; and (d) mechanism used to ensure that member countries conduct policies in a manner consistent with the peg and with the guarantee of convertibility provided by France, (e) the currency notes and coins are printed and minted at a Bank of France facility in the town of Chamalieres (Favaro, 2008).

Table 2.1 Timeline of evaluation of CFAF

	December 26, 1945	CFA F 1 = FF 1.70
Devaluation of the French franc (FF)	October 17, 1948	CFA F 1 = FF 2.00
Creation of the new French franc	January 1st, 1960	CFA F 1 = FF 0.02

Devaluation of the CFA F	January 12, 1994	CFA F 1 = FF 0.01
Pegging of the CFA F to the euro	January 1st, 1999	CFA F 655.957 = 1 euro

Source: BCEAO

This arraignment of the CFA has been a long- standing incertitude and debate over years which led Mauritania and Madagascar to withdraw from Franc Union in 1973 and issues its non-convertible currency and central bank (Singh, 2008). In addition, the reforms of the CFA Franc are ongoing, but up to now, the fundamental of the currency arrangement remain and creating monetary union with other West African countries such Nigeria and Chana is a long – term possibility.

On January 13, 1994, after the CFA franc was devalued by 59 % in the foreign exchange rate, the heads of state and government of Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal, and Togo signed a new treaty creating the Union Economique et Monétaire Ouest Africaine (UEMOA), West African Economic and Monetary Union (WAEMU) in Dakar, Senegal. In 1997, Guinea- Bissau, a former Portuguese colony, joined the Union making the organization eight members. UEMOA should not be confused with L'Union monétaire ouest-africaine (UMOA), which was created in 1961.

The main objectives of UEMOA or WAEMU are promoting the harmonization of fiscal policies among members, promoting of a common market, providing convergence of macro-economic policies and indicators and creating greater economic competitiveness through open markets (Boogaerde & Tsangarides, 2005). Thus, in Mali, the banking system consists of a central bank- BCEAO- the common central bank of eight countries in West Africa). Also, there is a total of seventeen financial institutions, fourteen commercial banks, and three non-bank credit institutions, as shown in Table 2.2 below.

Table 2.2 Profile of the Financial Institutions of Mali, 2019

	Total capital	**Total assets**	**Total assets in %**
All banks (14)	235 752	4 983 433	100
BDM	25 000	886 020	17.6
BMS	34 595	869 104	17.3
BOA-MALI	15 450	577 315	11.5
ECOBANK	10 000	552 380	11.0
BNDA	36 296	499 802	9.9

BIM	20 011	345 064	6.9
BANQUE ATLANTIQUE	22 000	312 633	6.2
CBI-MALI	11 000	198 528	3.9
BSIC-MALI	11 000	180 819	3.6
BCS	14 300	168 506	3.4
BICI-M	10 000	132 858	2.6
BCI	15 000	132 180	2.6
Orabank (branch)	0	98 801	2.0
UBA-MALI	11 100	29 423	0.6
All non-banking Institutions (3)	**8 963**	**42 657**	
FGSP	5 927	26 457	0.5
SAFCA-ALIOS		9 786	0.2
FGHM	3 036	6 414	0.1
Total Financial Institutions (17)	**244 715**	**5 026 090**	

Source: BCEAO, Commission Bancaire, Rapport Annuel 2019

The banking system remarkedly dominates financial institutions, with around 99% of the total financial institution's sector in 2019. Only one of the banks is a branch, and the rest of the banks are subsidiaries. Also, eight out of the banks are international banks, and six banks are sub-regional banks, with the top four banks holding 67.3 percent of banking sector assets in 2019. The three non-bank credit institutions include; a leasing company (Société Africaine de Crédit Automobile – Alios Finance, Succursale du Mali, SAFCA ALIOS) and two guarantee funds, one for a mortgage (Fonds de Garantie Hypothécaire du Mali, FGHM) and the other for the private sector (Fonds de Garantie pour le Secteur Privé, FGSP), precisely for SMEs.

In term of assets, countries with largest market share of financial intuitions in WEAMU zone is Côte d'Ivoire (32.2%), Senegal (19.5%), Burkina (14%), followed by Mali which accounted 12.2 percent of total market share of financial institutions in WEAMU zone as shown in Table 2.3. In the late 1980s, extreme banking crises sparked WAEMU countries that almost deteriorate the entire banking system. In the 1980s, one third of banks estimated to be in difficulty, and a quarter of extending credits were uncoverable. With reforms taking place in the early 1990s, the banking system in WEAMU restructured, and existing banks liquidated. Bank ownership opened to international and domestic investors (*The Political Economy of Bank Regulation in Developing Countries: Risk and Reputation*, n.d.).

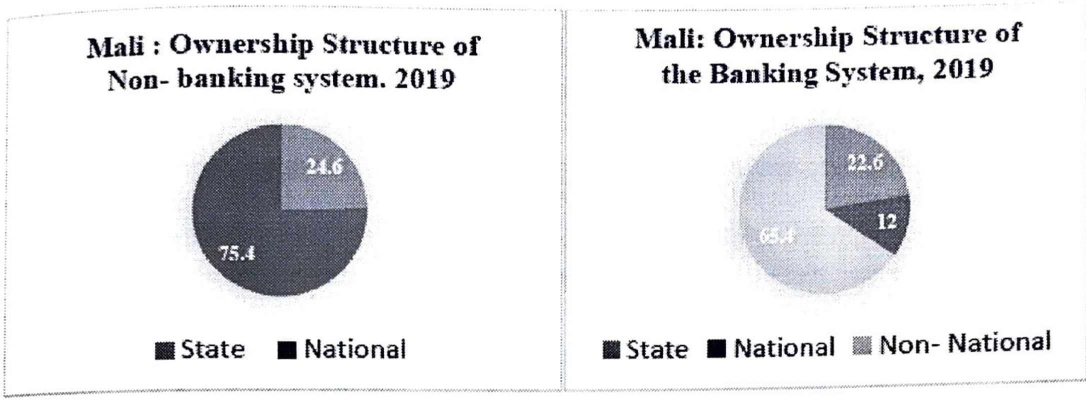
Table 2.3 Breakdown of active credit institutions in WAEMU, 2019

Country	**Banks**	**Non bank**	**Total of FIs**	**Total balance sheet (CFAF billion)**	**Market Share**	**Offices**	**ATM**	**Bank accounts**	**Staffs**
Bénin	15	-	15	3 795,0	9,2%	254	337	1 973 254	3 143
Burkina	15	4	19	5 764,2	14,0%	331	490	2 043 700	3 538
Côte d'Ivoire	27	2	29	13 621,4	33,0%	725	900	3 931 729	9 404
Guinée Bissau	5	-	5	305,3	0,7%	37	62	163 474	522
Mali	14	3	17	5 026,0	12,2%	500	542	1 809 724	3 551
Niger	14	4	18	1 842,0	4,5%	1 122	189	682 050	3 559
Sénégal	25	4	29	7 864,8	19,1%	512	568	2 086 486	5 978
Togo	13	3	16	3 039,9	7,4%	247	290	1 101 252	2 599
UMOA	**128**	**20**	**148**	**41 258,6**	**100**	**3728**	**3378**	**13 791 669**	**32 294**

Source: BCEAO, Commission Bancaire, Rapport Annuel 2019

In Mali, the bank ownership is influenced by international shareholders, practically from Africa. Moroccan banks are the largest shareholder in the sector as shown in Figure 2.1. They are having shares in four banks (BDM, BIM, BOA, and bank of Atlantique), with 42.2% of the total market share (assets). French banking group (BNP Paribas) has shares in 2 banks (BICIM and BCI) with only 5.2% of the total market, but the group is well present in many WAEMU countries. The Government of Mali is a major shareholder of three other non-bank credit institutions (FGHM, FGSP, and SAFCA).

Figure 2.1 Ownership Structure of Non-banking and Banking System in Mali



The main characteristic of Malian banks is their short-term financing. The banking assets are dominated by short-term credits to the economy, as shown in Figure 2.2. In Mali, long-term finance from banks is constrained because Malian's banks often lack long-term resources, and banks must comply with prudential liquidity ratios, they have less capacity to extend long-term financing. Also, there is insufficient information on the solvency and quality of borrowers, and the public credit registry at the BCEAO is also incomplete and only focuses on delinquent loans banks don't have the tools and required knowledge to assess the projects properly. Also, legal uncertainty, judicial process challenges, low investor protection, unskilled entrepreneurs may be unable to provide comprehensive financial information about the project, are other factors to constrain long-term financing in Mali (Staffs IMF, 2018).

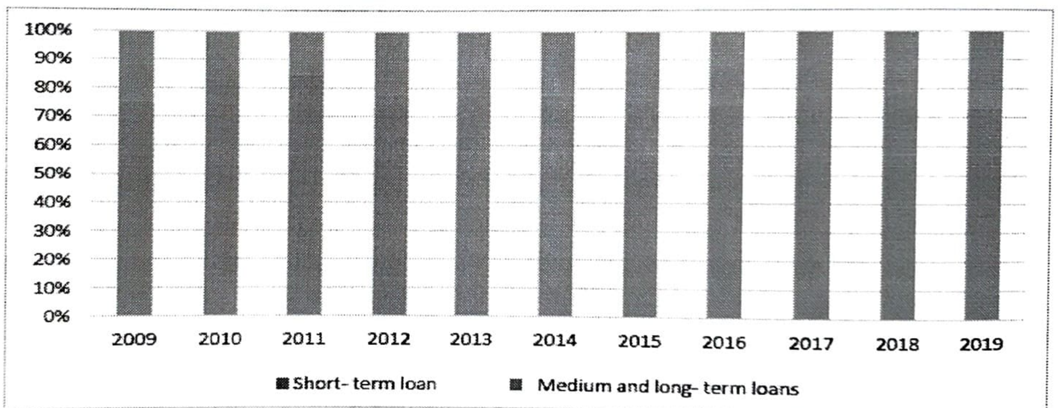
The average banking lending in the Malian banking sector stood at 7.6 percent in 2019, which is above the regional average of 6.6 (Figure 2.3). On the other hand, the average bank deposit rate stood at 5 percent compared to a regional average of 5.3 percent. The spread between the cost of lending and deposit rate in the banking sector in Mali is among the highest in the WEAMU zone, indicating high credit risk and risk transformation. Mali, like many developing countries in Africa, the leasing industry is not well-developed, despite its potential to contribute to the development of small and medium companies. In Mali, there is only one leasing firm, Alios Finance (previously known as SOMAFI). It is a branch of Alios Finance Côte d'Ivoire. The company provides financial lease, operating lease, investment loan, and short-term loan. The firm has only a 0.2 percent market share of the total share of Malian financial institutions in 2019.

According to (Staffs IMF, 2018) in Mali, New legislation on leasing has not yet been enacted. The WAEMU financial regulation permits both banks and non-banks to provide leasing products, but leasing products treat as credit products. Lessors are not treated as owners of the leased assets and therefore must undergo the same time- consuming and costly recovery procedures as other creditors.

Figure 2.2 Bank Lending and Deposit Rates, 2019

Source: BCEAO

Figure 2.3 Share of Short-term and Long-term Credits to the Economy from 2009-2019



In addition to banking and non-credit instructions, there are numerous microfinance institutions. From the colonial area to the end of the 1980s, two approaches to finance the need for rural credit have been undertaken, the directive establishment of credit societies controlled by government and banking logic such as agricultural credit banks. However, these two approaches have not been satisfactory toward fulfilling the priority needs of rural financing. In finding alternative funding, In 1986, the first Model Self- managed village saving and credit (Caisses Villageoises d'Epargne et de Credit Autogérées, known in French acronym CVECA) was launched in Pay Dogon region of Mali, with technical support of a French Non- governmental organization, CIDR (Centre International de Développement et de Recherche) in agreement with Direction Nationale de l'Action cooperative, DNACOOP) and with the financial support of the KFW group (German donor) (SAMASSEKOU, 2000).

After the successful practice of CVECA in Pay Dogon, other projects of CVECAs were launch in part of Mali and other countries replicating the Pay Dogon version with some modification to fit the local environment (Reinsch, n.d.). In the 1990s, the Microfinance sector in

Mali experienced tremendous growth. Many microfinance institutions (MFIs) were created, with the support of partners and donors from European countries and international organizations such as the French Development Agency, the Canadian Agency for International Development, the World Bank, German Technical Cooperation, USAID and Dutch Cooperation (CSS/SFD, n.d.).

In 1994, the BCEAO introduced a microfinancing monitoring system (Decentralized Financial System, DFS), followed by adopting PARMEC law (Projet d'Appui à la Réglementation sur les Mutuelles d'Epargne et de Crédit in 1995.The law laid a fundamental regulatory framework for mutual institutions for all member states of WEAMU. Each member state had the responsibility to issues decrees for the law applicable in the respective country. Mali was one of the first member states to immediately adopt the law and institute a microfinance coordination unit at the Ministry of Finance (LOLILA RAMINa, 2005).

In July 2010, BCEAO passed a new law (INSTRUCTION N °007-06-2010), which must be abided by all microfinance institutions in member states by July 2012. Article 44 of a new law requires BCEAO and the banking commission of WEAMU to carry out supervision on MFIs with at least deposits or credits CFAF 2 two (2) billion after two (2) consecutive years. Minister of Finance supervises MIFs that have less than CFAF 2 billion, which is considered small MFIs. In Mali, Contrôle et de Surveillance des Systèmes Financiers Décentralisés (CCS/SFD) is the supervisory body for small MFIs under the Minister of finance.

The sector lost it strengthen since 2000, especially the 2012 coup d'état, where many low-income depositors lost their savings and lost confidence in the sector. However, Total assets and deposits growth are slowly as shown in (). The with the regional plan adopted by the WAEMU council in 2012, the minister of economy and finance launched a national emergence plan in March 2015 aiming at (I)restructuring of the microfinance sector (including depositor compensation mechanism) (II) implementation of the legal framework (III) capacity building for the supervisory body (CCS/SFD) and promoting body (AP/SFD), (IV) support for viable MFIs (V) improved support to develop the unfractured of the sector (VI) expansion of microfinance service (IMF, 2018).

Table 2.4 Mali: Evolution of the resources mobilized by the MFIs in 2009 - 2012

Types of MFI	2009	%	2010	%	2011	%	2012	%
Deposits	52056	46.48	54876	46.23	52221	47.11	51556	49.67
Equity excluding grants	17838	15.92	18805	15.84	18617	16.79	15463	14.89
Loans	34570	30.86	32312	30.08	28753	25.94	23359	22.5

Subsidies	2516	2.24	2131	1.8	1955	1.76	1896	1.5
Deposits by FIs	-	-	-	-	2391	2.15	2894	2,78
Resources allocations	188	0.16	148	0.12	215	0.19	42	0.04
Diverse operations	4824	4.34	7039	5.93	6687	6.06	8579	8.26
Total	111992	100	115311	100	110839	100	103789	96.86

*values in millions

Source: (SFD, 2017)

Banking Sector Stability And Performance

In overall, the banks seem to be sufficiently capitalized, thought the ratio shows downward trend since 2017. The average bank capital adequacy ratio (Capital to risk-weighted assets) stood at 13.5% in 2019 and 12.5% in of 2018 respectively, above regulatory minimum of 10.5%. Although the banking sector is relatively profitable, the asset quality appeared to be suffered with increased in the number of non-performing loans (NPLs) in their loan portfolios, in particular 2017. There was significant decrease on level of asset and equity in 2017 due to the high NPLs and entry of new players. The high level of NPLS indicates poor performance of banks and smoothness of banking loans recovery procedures. However, the gross NPLs continue to decline to reach the yearly average of 11.6 perfect in 2019, after being 16. 4 percent in 2018. In contract, the return equity (ROE) improved from 14.6 percent in 2017 to 15.2 percent in 2018.

In addition, banks' credits to the economy is mainly geared toward trade and other services. This sector captures 39.7 percent of total credits as of 2019 compared to 41.6 percent in 2018 and 45.4 percent in 2019. In overall, manufacture sector shows increased trend accounting 14.8 percent of total credits to the economy as of 2019 after accounting 14.5 percent in 2018. Most distinctively, agriculture sector, which is the main occupation of the country accounts only 3.0 perfect of total credits to the economy in 2019 lower than any other sector over the periods with exception of mining sector which accounts 2.5 perfect of total credits to the economy as of 2019.

Farming activities are mainly concentrated in rural area where the banking network is absent. Consequently, farmers do not have bank account and rely on cash borrowing from friends, relatives, microfinance institution, or other farmers to address their financial needs.

Table 2.5 Key Summaries of Prudential Regulation in WAEMU

Indicator	Definition	Threshold
Solvency ratios		
Minimum capital requirement	Core capital	CFAF 1 billon up to 2008 CFAF 5 billion, 2008-2015 CFAF 10 billion since April 2015
Risk coverage	Capital to Risk-weighted assets ratio	8
Limitation of fixed assets and participations	Fixed assets and participations divided by total equity	1
Other ratios		
Coverage of the medium and long-term assets by stable liabilities	Transformation ratio	75% before 2013 50% since January 1st, 2013
Limitation of commitments on a	Total exposure on the same beneficiary or the same	75%
same signature	signature divided by Equity	
Limiting the overall volume of individual risks	Exposure on all the beneficiaries reaching individually 25% of the equity divided by Equity	8
Limitation of loans to major shareholders, managers and staff	Total loans to major shareholders, managers and staff divided by Equity	20%
Portfolio structure ratio	Performing loans divided by Total loans	60%, but no longer in force since 2013
Liquidity ratio	Liquid assets divided by short term liabilities	75%

Source: (Kanga, Murinde, & Soumaré, 2020)

2015, the Secretariat of the commission was consisted of 120 staff members, of which less than half were dedicated to supervision activities. This staff had to supervise more than one hundred banks in eight countries. Also, the banking commission forbidden from taking prudential action local banks make pollical sensitive loan decision (The Political Economy, 2020).

Challenges And Prospect Of Islamic Banks In Mali

Islamic banking is not a new filed in Islamic finance, and plentiful empirical and theoretic studies have been conducted by scholars to investigate the operation and improvement of Islamic banking. However, some of these are conducted based on a single country experience, whereas others are conducted based on the regional level.

Bello, Audu Abubakar, Mika'ilu (2014) adopt qualitative research method focusing on existing literature reviews to assess the challenges that the introduction of Islamic banking in Nigeria may face. The study finds that the major issues and challenges in introducing Islamic banking in Nigeria are institutional challenges and operational challenges. The institutional challenges include; inadequate legal framework, inappropriate institutional framework, lack of equity institutions, poor supervisory framework, disparity in accounting standard, lack of secondary financial and lack of short-term financial instrument and institutions. The operational challenges are religious and differences, lack of profit sharing finance, shariah related issues, inadequate human resources, lack of awareness and competition issues.

Similarly, Mbawuni & Nimako, (2016) adopt qualitative research method through literature reviews to provide a general review of Islamic banks in Ghana with emphasis on prospects and challenges of Islamic bank introduction in Ghana. The study points out the major factors in Ghana's economy that indicate prospects for implanting Islamic banking in Ghana. These include opportunity for employment, democratic political system of governance, flexible industry regulatory framework, existing agrarian sectors, high demand for banking products, high interest rate, Muslim population, and quest for sound business practices. Contrarily, the study also identifies some challenges that are likely to face full fledge Islamic banking products and institutions such as compliance to shariah law and governance, consumers behaviors factors, and Islamic banking performance challenges.

Najmul Hussein Rassool (2017) assessed the opportunity and challenges toward establishing an Islamic retail bank in Mauritius using qualitative research mothed focusing literature Review from various sources such as book, journals and reports. The study concludes that the opportunities of Islamic retail banks in Mauritius are chance of proving of saving and investment products, consumer financing, business funding, housing finance, enabling legal, fiscal, regulatory framework, the financing of MEs and the issuance of Sukuk. At the same time, the study highlighted that issues that Islamic retail banks may face, namely; shariah issues related to monetary policy, awareness and financial literacy, perception of customers and lack of shariah complaint liquidity instruments and interbank deposit, lack of knowledge and understanding of shariah complaint products and enforcement of Islamic contracts in court.

El-Hawary, Grais, & Iqbal (2007) put effort to identify IFS 'risks and explain the regulatory approaches that may help to deal with them. the board risk categories recognize by author include transaction risk, business risk, treasury risk, governance risk and systemic risk. However, the author explains risks specific to IFIs which include (a) displacement risk; (b) quality of management; (c) harmonization of the institutional environment; (d) liquidity management, and (e)counter- party risk.

Previous researches have explored many issues and prosperities of in setting up Islamic bank in different countries However, there is no specific discussion in the context of Mali. Furthermore, previous researches have focused mainly on qualitative research through literature reviews. Very little study to date has directly attempted to empirically identify issues and challenges that my face Islamic bank particular country, especially Mali. This study seeks to conduct qualitative research method thought structure interview to identify issues and challenges and prospects of Islamic banking in Mali.

Methodology

The research design of this study is as follow: research method, types of data, source of data, sampling of the method, research instruments and data collection method. This study adopts qualitative research technique to fulfil its purpose. The selection of qualitative research method is because, first, the researcher is interested to obtain an in-depth details about the topic. Second, understanding the topic of this study in both theory and practice, the researcher refers to extensive documents and report. Third, the information involves the topic of this study tend to be a complex which need to explain in textual format rather than statistical term.

This research is primarily based on primary data collection due to the limit published materials on the subject under study. This shortage of materials is due to the Islamic banking system being relatively new and scarcity of experts on the industry in Mali. The secondary is also use by this study. For the collection of secondary data, the researcher uses published data from various sources publications of local organization, international organization, books, newspapers and websites. The secondary data saves time and gives the writer extra information which may not obtain by primary data.

For this research, the type of sampling technique selected is non-probability. The justification for this selection is that the most crucial data relevant to this study can only obtain from managers and bank officers engaging in the Islamic bank activities In Mali. Using any sampling techniques would not provide an accurate data about the topic. Moreover, the researcher believes that judgmental sampling is the most suitable non probability types for this research are judgmental and convincing method. The reason for this selection is that there is a limited number of people with expertise needed to answer the questions on this study. Four out of the six interviewees in one Islamic bank agreed to participate in this study. The participants include the chief of the sales department, head of administration, auditor, and senior manager of banking industry in Mali.

For this study, structure interview is selected as method of gathering data. Using this method, the researchers attempt to reach to bankers and managers in banks. An interview questions are distributed to each respondent via email or personally. The questions are structured in the form of open – ended questions. This allows the respondents to answer the questions in open text format accordingly to their best knowledge and experiences. The researchers use email survey rather than face- to- face interview as the interviewees and writer do not live in the same place. On other hand, the researchers decide not to use telephone interview and other technological devices to avoid problems, which can attribute to the wording of questions. In addition, email survey provides interviewees enough time to answer the questions which is not guarantee in other methods.

The interview questions are developed from literature reviews and feedback from researcher's supervisor. The questions are self-administered survey, where the same interview questions are sent to all respondents. The questions translate into French to help respondents understand the exact meaning of each questions. To help with translation, "reverse translation method" are used. This is achieved by translating back the translated version into English. If the translation does not match the original language original, more efforts are made until the researchers are satisfied with the translation. The final version is referred to any official translation center. The questions are concise, short, and direct to ensure a good validity and reliability of information gathered.

The respondents are given to at least thirty days to answer the questionnaires after which the questionnaires are recollect for analysis. The interview data from this study cannot be analyzed statistically as the questions are structured in the form of open – ended questions. To analysis respondent data, the researcher uses a comparative approach to identify and determine the similarities and differences in the respondent data. Also, the data reduction, data integration and data display steps are adapted to effectively analysis data (Huberman, 2014).

The researchers attempt firstly, to identify the common themes in the transcribed interviews. This task is not a big problem since the interviews are based on a standardized format. Next, a frequency count is undertaken simply to note the same or closely related answers. Significant comments and recommendation were noted down to support the research.

Results And Discussion

Challenges Towards Establishment Of Islamic Bank

There are many challenges towards the establishment of the Islamic banks in Mali. The key challenges of the study based of the findings are divided into four elements; (1) legal and regulatory framework; (2) Shariah governance; (3) demand for Islamic banks and (4) other issues. Details of each key findings are as follows.

Legal And Regulatory Framework

The first issue facing Islamic banks in Mali is the absence of a comprehensive legal framework and supervisory system. The legal framework might include Islamic Banking Laws, and Islamic Banking Laws concerns the establishment, functioning, and supervision of Islamic banking in the country. The regulation and supervision provide transparency to participants, certainty, and readiness for financial institutions and enhance control of monetary policy. (Iqbal, Ahmad, & Khan, 1998).

In this context, it is crucial to establish a comprehensive legal framework and regulatory system to solve legal issues and to allow Islamic banks to compete with the conventional banks in a country. With this regard, when asked about the legal and regulatory framework for the Islamic banks in Mali, the respondents were unanimous in the view that there is no compressive legal and supervisory framework for the Islamic banks in Mali, there is the only foundation of the legal and regulatory framework of the introduction of the Islamic banking and finance industry, which has been laid down by the Central Bank of West African States in 2018.

As it is discussed in chapter two, the Central Bank of West African States (BCEAO) is the central bank of the eight-member states which form the West African Economic and the Monetary Union (WAEMU): Mali, Cote d'Ivoire, Benin, Burkina, Niger, Senegal, Guinea- Bissau, and Togo. The (WAEMU) was set up in 1994 with the purpose of harmonizing economic policy to promote finer competitiveness among the member of states. All the said countries except Guinea-Bissau (Portuguese), were formally French colonies. On the other hand, the (BCEAO) is common the central bank of the said eight members which form (WAEMU), and it is responsible for controlling money supply, issuing the monetary policy, fixing interest rates, controlling foreign exchange reserve and external debt, and assisting the member states with international monetary institutions.

Regarding the adopting legal and regulatory framework for Islamic banking and finance, with population of members states paying attention to Islamic banks and finance, in 2010, the official inauguration of Islamic banking and finance has been issued. It was not until 2018 the

BCEAO set up the foundation for the regulatory and legal framework of the introduction of Islamic bank and finance industry for West African Economic and the Monetary Union (WAEMU). The foundation comprises the following parts:

1. Guidance N°002- 03-2018 for the regulatory framework of financial institutions
2. Guidance N°003- 03-2018 for Islamic microfine institutions
3. Guidance N°004- 05-2018 for technical issues of Islamic financial institutions
4. Instruction N°005 05-2018 for technical issues of Islamic microfinance

Although these regulatory and legal adaptations are necessary to offer a favorable framework for Islamic financial institutions, they are not comprehensive for all legal and regulatory frameworks needed for Islamic banks and finance. To insight this, the respondents are asked to cite some legal and regulatory issues that face the Islamic banks due to the absence of a comprehensive legal framework. Accordingly, the first legal issue is the lack of an Islamic banking court mechanism[2].That is to say, in Mali, the disputed cases of Islamic finance are subject to the same legal system as the conventional banks thought the Islamic legal system is not as same as the traditional legal system. The disputes resolve in the civil courts, where the jurists commonly do not know about the Islamic banking transaction to solve issues. Henceforth, the ruling and decision of jurists may be incorrect due to the ignorance of Islamic transactions. Therefore, to ensure appropriate ruling, amendments in existing laws are required to put in place to resolve the disputes of Islamic finance through shariah court with qualified jurists in an Islamic transaction. Additionally, some countries have successfully solved this issue. Malaysia, for example, the litigation process dealt in Muamalat court of the commercial Division in the High court of Malaysia (Hassan & Hussain, 2011).

The second legal issue is a central bank conflict with Islamic banks.[3] The relationship between the central bank and the Islamic banks for liquidity process does not exist in Mali. In the first place, the central bank is considered the primary solution to liquidity issues of banks since it is the lender of the last resort of financial institutions. The problem is, however, the central bank deals with interest, and its transaction is interest-based, which is problematic to an Islamic bank. The conventional banks and Islamic banks cannot treat equally as the latter operates on the Sharia principles basis. Forthwith, a special relationship between the central bank and Islamic financial institutions is required (Paksoy, 2015).

The possible solution is, first, to create a common pool in which all banks may be required to contribute a certain percentage of their deposits. Banks would then have the right to borrow interest-free from this pool (Ahmed, 2002). In fact, this method works in a country where there are numerous Islamic banks, and then the volume of cash would be sufficient, which would keep the cost of transactions low.

Another possible solution is introducing an Islamic interbank money market or issuing a non-interest-bearing government certificate as in the case of Malaysia. Islamic banking Liquidly issues in Malaysia is managed through purchasing and selling government certificates as well as an Islamic interbank money market in the well- established money market base (Mobin, M Ashraful; Ahmad, 2018). Again, introducing the interbank money market in a country like Mali is difficult due to the issues such as improper Islamic banking legal framework, regulatory framework, shortage of qualified Islamic banking experts, and a smaller number of Islamic financial institutions.

The final solution is providing an interest- free loan (*qard al-hasan*), where the central provide short term interest-free loan to Islamic banks on a short-term basis. This solution may also require a comprehensive legal framework for the Islamic bank, which is not yet established in Mali.

As far as the solution was concerned about legal issues and providing a comprehensive legal framework, most of respondents urged central bank to provide a comprehensive legal and regulatory comprehensive to Islamic banks and finance as many countries like Indonesia, Iran, Lebanon, Malaysia, Pakistan, Sudan, Turkey, U.A.E., and Yemen have successfully enacted Islamic banking law.[4]

In Malaysia, Islamic banks operate alongside conventional banks. At present, there is a special law for the regulation of the Islamic bank, which is known as the IFSA 2013, and FSA 2013 regulates both Islamic banks and conventional banks. The IFSA 2013 involves all elements such as shariah supervision, the role of the BNM in the regulation and Islamic bank, and licensing requirement (Laldin & Furqani, 2018).

Shariah Governance

The respondents are asked whether there is a shariah supervisory board at the central level or Islamic banking level. All the respondents agreed that there is no central Shariah board at the level of the central bank. However, the individual banks and conventional Islamic windows based have an individual Shariah advisor for a consultancy basis.[5]

Certainty, shariah supervision is vital for Islamic banks not only to ensure Shariah compliance with transactions and products but also to restore customers' confidence in banking activities. The model of Shariah supervision of Islamic bank differs from one country to another. The main modes of Shariah supervision include, first, external and internal level shariah supervision, whereby levels of the shariah supervision board exist in both central bank and individual banks. This model is practiced and Sudan and Malaysia. All banks in Malaysia have their own Shariah supervisory board, and simultaneously there is Central Shariah council (SAC) as part of the Bank Negara Malaysia (BNM).

The second model of Shariah supervision is internal – level Shariah supervision. In this model, there is only Shariah supervision at individual banks and, thus, there is no central Sharia supervisory board at the central bank as in the case of Kuwait. The final model is external – level Shariah supervision, where there is only Shariah supervisory board. The individual Islamic banks do not have a shariah supervisory board. Instead, they can have a Shariah advisor. This model is practiced by Pakistan (Grassa, 2013).

Based on the views of respondents, each of these models seems to have both advantages and disadvantages in terms of decision making, certainty on shariah compliance, time, cost, and efforts.[6] Thus, each country should endeavor to arrange the best model that is suitable for the country's banking laws and regulations. An approach of best setting would be more appropriate than a best practice approach that blindly adopts other jurisdiction's practices.

Demand For Islamic Banks

Another challenge pertains to the absence of qualified Shariah scholars well skilled in Islamic banking and finance in a country, which may constrain the development of Islamic banking products and services. In this context, when respondents are asked about the shariah experts in the field of Islamic bank in Mali, all respondents acknowledged the shortage of shariah experts. There is a shortage of specialists in the Islamic banking and finance industry.

On the other hand, when respondents are asked about awareness of the public about Islamic banking products and services, all the respondents confirmed a low awareness among the population. The most surprising aspect of responding was that some people tend to view Islamic banking as charity institutions and tend to expect some services to be complimentary.[7] Similarly, there is a large population that does not have confidence in Islamic banking practice. Some people think that Islamic banks cannot offer a pure investment scheme in a shariah compliance manner.[8]

Additionally, the lack of access to banking is another obstacle for both conventional and Islamic financial institutions. More people do not have access to banking services[9], which may explain why there is insufficient financial institutions' entry to offer financial

Hence, the interviewees urged the universities to offer Islamic banking modules in their discipline to nurture talents and experts in the Islamic financial services industry. Also, Islamic financial institutions can provide training and workshop to Shariah scholars to supply them with comprehensive and practical knowledge of Islamic banking and finance. Besides, there is a need for more mass awareness campaigns utilizing media such as media TV or newspaper to educate the public about the products, services, and principles of Islamic banking and finance.[11]

Political And Social Unrest

Without stable security and political system in a county, it would be a challenge to develop financial sectors. In this regard, the respondents are asked to comment on the impact of political instability and insecurity on Islamic banks in Mali, and, unsurprisingly, the total number of responses for this question was negative. As it was stated in the first chapter, the social unrest and insecurity have sparked Mali as a result of regular uprisings by terrorists, Islamists groups, and separatists' rebels who are being determined to have an independent state in the north of Mali. Under those circumstances, the conflicts have left two national presidents (Amadou Toumani Toure 2002-2011) and Ibrahim Boubacar Keita 2013- 2020) deposed in a military coup as anger spread over the government's failure to quell the conflicts and rebellion. Henceforth, there has been a substantial decline in the confidence of both local and international investors willing to invest in Mali as a result of highlighted social-political tension.[12] Moreover, the conflicts had destabilized the national financial sectors in terms of poor cash flow due to a low number of international and national investors, postponement of projects, and cutting the financial support of the government,[13] unstable pricing mechanisms, delay of salary payment and customer liabilities.[14] critically, this pollical and social unrest that Mali has suffered in the past 60 years of independence sheds doubt on the speedy growth of the financial services.

Other Issues

The respondents are asked to mention some operational challenges faced by Islamic banks in Mail. Each of the interviewees provides different issues according to his or her perception of what the major challenge is. Their views and responses are explained as follow: The biggest issue is the lack of a money market for short-term funding to meet the liquidity needs of the bank.[15] The Islamic bank has to have more reserves to match any short- term volatility. The central bank is a potential solution for liquidity, but the relationship of Islamic banks to the central bank is uncertain.

Another challenge pertains to the lack of innovative products to meet the need of customers.[16] The market is being providing the same traditional products on short term basis for years. The final challenge pertains to the unattractive customers.[17]A larger number of customers operate in the informal sector who do have the required formal documentation to complete a financial transaction. This issue is related to all the banks in general.

Opportunity Towards The Establishment Of Islamic Bank

The respondents provide optimistic and positive views when asked about the prospect of Islamic banks in Mali. The majority of their perception line on the demand side of Islamic finance. Form demand side, the opportunities for Islamic banks emerge from the overwhelmingly Muslim population.[18] The country is predominantly Islam, nearly representing 95 percent of the population is Muslim. This larger Muslim population indicates a high rate of public acceptability of Islamic banks and willing to become its customers. For this reason, Islamic financial institutions may become more competitive to conventional non- financial institutions, which may drive traditional banks to offer shariah compliance products.

In addition, the needs for financial deepening among the communities offer another opportunity for Islamic banks. There is a significant number of populations who are unbanked. Thus, establishing Islamic banks can significantly offer many people access to finance and serve the local retail market by providing saving and investment products that will support the local economy.[19]

Furthermore, swathes of urban households needing affordable housing, weak healthcare, high unemployment rate, massive agarin sectors, underdeveloped infrastructures, untapped macroeconomic potentials, variety of resources, SME finding, and local entrepreneurs funding, indicate that Islamic banks would face various investment opportunities and contribute to the development of the country.[20]

On top of that, all companies in Mali can enjoy the benefits of a harmonized monetary policy and access to the dynamic consumer market of Africa due to Mali's membership in the Economic Community of West African State (ECOWAS) and the West African Economic and Monetary Union (WAEMU). Also, the government offers to all incorporate companies a various tax exemption package, which includes; 2 to 8 years of exemption from license tax, company tax, corporate tax, and property tax, provide 60% of the processed raw materials from Mali, and so forth.[21]

Even though the government has not started playing an active role to the growth and development of Islamic banks, it can be noticed that the Malian government has some degree of motivation and sensitiveness toward Islamic finance. Mali is currently a member of the Islamic Development Bank (IDB), and in 2018, Mali issues its first Sukuk of 150 billion CFA francs on the regional market.[22] Most importantly, there is no limitations or restrictions toward Islamic banking product and services, and Islamic financial institutions are treating as same as conventional banks.[23]

Conclusion

The findings of the study are summarized as follows:

First, in 2018, the central bank of the West African state (BCEAO) laid down the foundation of the regulatory framework of the introduction of Islamic banking and finance within the West African Economic and Monetary Union (WAEMU), and the foundation is satisfactorily enough to start Islamic banking activities, but it is not comprehensive.

Second, Islamic banks in Mali face the legal issue of lacking an Islamic banking court to handle the disputed case of Islamic banking.

Third, Islamic banks in Mali face the legal issue of not having a proper relationship with the central bank, which derives from the fact the Central bank deals with interest-based, which is not allowed under Shariah principles. In case of liquidity issues, for instance, the central bank acts as the lender of last resort to offer loans to the banks based on the interest, which is impermissible in the Shariah point of view.

Four, Islamic banks in Mali subject shariah issues of having a weak shariah supervisory system, which is due to the fact Islamic banks have only internal Shariah supervisory members who have less experience in the practice of Islamic banks.

Five, Islamic banks remain insufficiently understood among the population. A large population does not have sufficient information about the core practice of the Islamic bank. On top of that, some people tend to view Islamic banking as charity institutions, and there is a lack of confidence about Islamic not being able to be an alternative to traditional banks. Furthermore, there is no university to teach a course of Islamic banking and finance, adding to the shortage of shariah experts in Islamic banking and finance.

Six, political issues and social unrest that hit Mali are directly affecting financial institutions by declining confidence of investors and willing to invest in Mali. The conflicts destabilized the financial sector, and the banks face slow cash flow, postponement of projects, and cutting the financial support of the government.

Seven, the Money market or interbank market to solve the Islamic banking liquidity problem is shallowed. Instruments to meet short term financing to solve liquidity are nonexistence.

Eight, product developments, and innovation to meet the demand for specific investment requirements are unpleasantly shallowed, illiquid and slowly develop.

Nine, economic agents or customers operate mostly in informal sectors who do not have proper formal documentation to facilitate contracts. This situation may add risks for banks and make profitability uncertain.

Ten, The Muslim population, which represents almost 95 percent, indicates a massive opportunity for Islamic banks.

Eleven, the need for financial inclusion creates opportunities for an Islamic bank to serve many populations who are mostly unbankable.

Twelve, a vast of urban households needing housing and infrastructure development deficit [23] creates financing need in which Islamic banks could make a significant achievement.

Thirteen, the government is open for Islamic finance, and it is currently a member of Mali is a member of the Islamic Development Bank (IDB). It also offers various tax exemption package for incorporate banks.

As per the above results, Islamic bank in Mali face significant issues and it still under high potential problems and below are some suggestions to mitigate those challenges:

First, as far as a comprehensive legal and regulatory framework is concerned, the central bank is responsible for providing a necessary legal and regulatory framework to an Islamic bank. Notably, the initial legal and regulatory framework that is newly introduced by the central bank has some shortcomings, and therefore, a productive legal and regulatory framework that encloses all requirements and relationships between central and national is highly needed.

Second, as far as the shariah issue is concerned, a proper shariah supervisory board is needed. In Mali, there is internal supervision, but there is no external shariah supervision. It would be better to establish an external shariah supervisory board that dealt with national shariah issues on Islamic finance and increase the confidence of shareholders and depositors in Islamic banks. External shariah boards should encompass Islamic financial experts, legal professionals, and economics. Also, the central bank can enforce international shariah standards such as AAOIFI and IFSB, which issue a substantial number of rules to support Islamic financial institutions over the world.

Third, as far as human recourse and awareness are concerned, there needs organizing more mass campaigns, mass media such as radio, television, and newspapers to educate the community about Islamic banking products and its practices. Also, more training needs for Islamic bank administrators and employees and Shariah scholars. This situation can be done by having seminars, workshops, webinars, and platform for free of charge. Iman in the mosque can contribute significantly by given speeches on the importance of Islamic finance and exporting or working specialists in Islamic banking and finance. Also, cooperation with other countries is paranoid in assisting developing the Islamic bank industry in a country. Furthermore, universities should offer Islamic banking courses to nurture talents and experts in the Islamic financial services industry.

Four, as for as pollical and security is concerned, the rules and regulations of Islamic banks should be tough and strict to avoid moral hazard and financial crimes such as money laundry, corruption, and illegal military weapons or terrorist- financing.

Five, as far as liquidity and product innovation issue are concerned, the Islamic banks can subscribe to the International Islamic Liquidity Management Corporation (IILM) to address liquidity management issues. Also, Islamic banks should invest more in technology to be more innovative and more convenient for customers by promising faster and cheaper products. The government should assist the Islamic financial institution through the issuance of Islamic bonds and bills. Most essentially, the highlighted issues in this study are not new, and many countries around the globe faced similar problems. Therefore, lessons on how other countries overcome the challenges are relevant to Mali.

Six, there should be more regional corporation among African states for developing the Islamic finance industry rather than each country focus on its market. That should not be hard work to do as the continent enjoyed regional monetary and economic integration for decades. The global Islamic financial industry would benefit from more cross border cooperation. It would result in the harmonization of best practice, coordinated progress, and the ability to develop an international well-equipped pool of human capital.

This study has attempted to fill the gap in the empirical literature on the issues and prospects of Islamic banks in Mali. The research aims to identify the core prospect and challenges facing the Islamic bank in Mali. The results of the research will be beneficial for Islamic banking for regulators, officers, management, and customer of Islamic banking and finance. The regulators and government must contribute substantially to offer appropriate rules and regulations to the Islamic bank. Finally, civil organizations and community members should act and organize a campaign and conferences to promote Islamic finance and press the government to play an active role in the development of Islamic banking and finance.

This research managed to identify the main challenges and prospects faced by the Islamic banks in Mali based on the distribution of the questionnaire. Further research should conduct a face-to-face interview with respondents, which may allow the researcher to understand the suggestion of each respondent. Further research can be undertaken by a future researcher to examine issues that are not mentioned in this study or to examine a challenge that this study addressed. For example, a researcher can investigate the level of awareness, accounting treatment issue, competition, product development, and innovation, customer relation to Islamic, corporation between Islamic banks and traditional banks using different research models and methods to reach accurate results.

References

AAOIFI. (2017). *Controls on Gharar in; Financial Transactions*. Retrieved from www.daralmaiman.com.

Abdullah, K. C. (2010). *Islamic finance: Understanding its principles and practices*. Marshall Cavendish International Asia Pte Ltd.

Abdullah, A. H. (2013). The Elements of Qimar (wagering) and Gharar (uncertainty) in the Contract of Insurance Revisited. *Journal of Islamic Economics, Banking and Finance*, *9*(2), 90–91.

Abdullahi, S. I. (2013). Islamic Banking in West African Sub-Region: A Survey. *Oman Chapter of Arabian Journal of Business and Management Review*, *2*(7), 28–46.

Alam, N., Gupta, L., & Shanmugam, B. (2017). *Islamic finance: A practical perspective*. *Islamic Finance: A Practical Perspective*.

Ali, S. N. A. and N. N. (n.d.). Information Sources on Islamic Banking and Economics: 1980-1990 (Routledge, NYC, 2010).

Ahmed, U. C. and H. (2002). *Corporate governance in islamic financial institutions*. *Journal of Governance and Regulation*.

Alharbi, A. (2015). Development of the Islamic Banking System. *Journal of Islamic Banking and Finance*, *3*(1), 12–25.

Bank Negara Malaysia. (n.d.). Financial Services Act 2013 | Bank Negara Malaysia | Central Bank of Malaysia. Retrieved May 13, 2020, from https://www.bnm.gov.my/index.php?ch=en_legislation&pg=en_legislation_act&ac=221&full=1&lang=en

Bello, A., & Abubakar, M. (2014). Challenges and solutions to Islamic banking system in a pluralistic-secular country like Nigeria. *Mediterranean Journal of Social Sciences*, *5*(6 SPEC. ISSUE), 25–34.

Benamraoui, A. (2008). Islamic banking: the case of Algeria. *International Journal of Islamic and Middle Eastern Finance and Management*, *1*(2), 113–131.

Bennison, A. K. (n.d.). *The Great Caliphs: The Golden Age of the 'Abbasid Empire*. New Haven: Yale University Press. 2009.

Bhatia, R. J. (1985). The West African Monetary Union An Analytical Review. *International Monetary Fund Washington, D.C.*, (May), 1–2.

Bhattacherjee, A. (2012). *Social Science Research: Principles, Methods, and Practices – viewcontent.cgi. Textbooks Collection. Book 3.*

Boogaerde, P. van den, & Tsangarides, C. G. (2005). Ten Years After the CFA Franc Devaluation: Progress toward Regional Integration in the Waemu. *IMF Working Papers*, *05*(145), 1.

Cárcel, H., & Alana, L. A. G. (2014). Fractional integration in the West African Economic and Monetary Union. *African J. of Economic and Sustainable Development*, *3*(3), 179.

CEA, C. économique pour l'Afrique. (2017). *Profils de pays 2017*. Retrieved from https://www.uneca.org/fr/publications/profils-de-pays-2017

Chachi, A. (2008). Origin and Development of Commercial and Islamic Banking *Abdulaziz King of Journal*. أصل وتطور العمليات المصرفية التجارية والإسالمية Operations *University-Islamic Economics*, *21*(2), 29–66.

Chown, J. F. (2003). *A history of monetary unions. A History of Monetary Unions.*
Corbetta, P. (2013). Social Research Theory, Methods and Techniques. PIERGIORGIO. *SAGE Publications London • Thousand Oaks • New Delhi*, 294–337.

(CSAO/OCDE), C. du S. et de l'Afrique de l'Ouest. (2015). les régions maliennes de Gao, Kidal et tombouctou.

Demetriades, P. and D. F. (2009). Information, Institutions And Banking Sector Development In West Africa. *University of Leicester, Department of Economics.*

Dusuki, A. W., & Mokhtar, S. (2010). Critical Appraisal of Shariah Issues on Ownership in Asset-Based Sukuk As Implemented in The Islamic Debt Market. *ISRA Research Paper*, 1–35.

El-Hawary, D., Grais, W., & Iqbal, Z. (2007). Diversity in the regulation of Islamic Financial Institutions. *Quarterly Review of Economics and Finance*, *46*(5), 778–800.

Favaro, E. M. (2008). *Small States, Smart Solutions. Small States, Smart Solutions.* Washington, DC 20433: The International Bank for Reconstruction and Development/ The World Bank.

Favaro, E. M. [Ed]. (2008). *Small States, Smart Solutions: Improving Connectivity and Increasing the Effectiveness of Public Services. International Bank for Reconstruction and Development.*

FitchRatings. (2017). WAEMU Banks Face Struggle to Meet New Capital Rules. Retrieved from https://www.fitchratings.com/research/banks/waemu-banks-face-struggle-to-meet new-capital-rules-01-08-2017

GraphicMap. (2018). Mali. Retrieved March 19, 2020, from https://www.graphicmaps.com/mali

Grassa, R. (2013). Shariah supervisory system in Islamic financial institutions: New issues and challenges: A comparative analysis between Southeast Asia models and GCC models. *Humanomics*, *29*(4), 333–348.

Griffiths, R. V. A. and I. (2018). The players. *North American Review*, *303*(2), 13–16.

Hannan, S. A. (n.d.). Islamic Banking: Problems and Prospects. Retrieved May 20, 2020, from http://www.shahfoundationbd.org/hannan/article10.html

Hassan, R., & Hussain, M. A. (2011). The establishment of muamalah court in Malaysia: an overview of issues and challenges. *IIUM Law Journal*, (January 2011), 119–135.

Herzi, A. A. (2016). A Comparative Study Of Asset Based And Asset Backed Sukuk From The Shariah Compliance Perspective. *Journal of Muamalat and Islamic Finance Research*, *13*(1), 25–34.

Huberman, M. and. (2014). Qualitative Data Analysis. *Social Research Methods*.

Ibrahim, W. H. W., & Ismail, A. G. (2015). Conventional bank and islamic banking as institutions: Similarities and differences. *Humanomics*, *31*(3), 272–298. Daud Vicary

IIBI. (n.d.). Islamic Banking. Retrieved June 4, 2020, from http://www.islamicbanking.com/explore/islamic-finance/islamic-banking#What is Islamic Banking?

Iman, M., & Mihajat, S. (2016). Contemporary Practice of Riba, Gharar and Maysir in Islamic Banking and Finance. *International Journal of Islamic Management and Business*, *2*(2), 1–19.

IMF (2018). Mali: Selected Issues. *JIMF Country Reports 18/142*.

INSTAT, R. 2009. (2009). 4ème Recensement General De La Population Et De L'habitat Du Mali (RGPH-2009.

INSTAT. (2012). Annuaire statistique du Mali 2011., (223), 1–139.

INSTAT. (2018). Institut National De La Statistique Du Mali.

Iqbal, M., Ahmad, A., & Khan, T. (1998). *Challenges Facing Islamic Banking*. Report, S. (2019). *Islamic financial Services Industry. Journal of Chemical Information and Modeling* (Vol. 53).

Islam, Z. (1984). Banking in the abbasid period a special study of the tenth century A. D. *Proceedings of the Indian History Congress*, *45*, 780–789. Retrieved from https://www.jstor.org/stable/44140275?seq=1

Islamic Fiqh Academy. (n.d.). *Resolutions of the Council of the Islamic Fiqh Academy of the Organization of the Islamic Conference*. Jeddah.
Istanbul, A. S. A. (2015). Islamic Banking and Finance in Sub-Saharan Africa: Recent Developments and Existing Challenges, *2013* (January).

Jin, D. D. X. (2018). Slamic finance in Africa: Opportunities and challenges. BCEAO. (2019). Presentation of the BCEAO. Retrieved December 13, 2019, from https://www.bceao.int/fr/content/presentation-de-la-bceao

Jones, E. (2020). *The Political Economy of Bank Regulation in Developing Countries: Risk and Reputation*. Oxford University Press.

Kanga, D., Murinde, V., & Soumaré, I. (2020). Capital, risk and profitability of WAEMU banks: Does bank ownership matter? *Journal of Banking and Finance*, *114*(June 2016), 1–38.

Kay, J., Silberston, A., Kay, J., & Silberston, A. (2018). Corporate Governance Corporate Governance, *153*(153), 84–97.

Laldin, M. A., & Furqani, H. (2018). Islamic Financial Services Act (IFSA) 2013 and the Sharīʿah-compliance requirement of the Islamic finance industry in Malaysia. *ISRA International Journal of Islamic Finance*, *10*(1), 94–101.

Leavy, P. (2017). *Quantitative, Qualitative, Mixed Methods, Arts-Based, and Community Based Participatory Research Approaches*. The Guilford Press New York London.

Mbawuni, J., & Nimako, S. G. (2016). Introduction of Islamic Banking and Finance in Ghana: Opportunities and Challenges. *Journal of Islamic Banking and Finance*, *4*(1), 60–70.

Md Akhter, U. (2015). Principles of Islamic Finance: Prohibition of Riba, Gharar and Maysir. *Munich Personal RePEc Archive*, (67711), 1–8.